



**OVERSIGHT  
BOARD  
AGENDA  
REPORT**

**SUBJECT: Direct Transfer of Certain Parcels Owned by Former Redevelopment Agency which were Acquired and Developed for Public Purposes to the City of Cathedral City and Grant of Easement for Public Transit Purposes**

**DEPARTMENT: Administrative Services**

**MEETING DATE: June 28, 2012**

**SUBMITTED BY: Successor Agency**

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**RECOMMENDATION:** It is recommended that the Oversight Board:

1. Adopt the attached resolution authorizing the transfer of certain real property to the City of Cathedral City pursuant to Section 34181(a) of the California Health and Safety Code and
2. Adopt the attached resolution authorizing the grant of easement to the City of Cathedral City for public transit purposes to accommodate a bus transfer station on certain real property now owned by the Successor Agency.

**BACKGROUND:**

On February 1, 2012, the Redevelopment Agency of the City of Cathedral City ("Agency") was dissolved, along with all redevelopment agencies in the State of California, and the City of Cathedral City ("City") elected to become the Successor Agency of its former Agency. As of the date of dissolution, pursuant to ABX1-26 (the legislation that called for the dissolution of all redevelopment agencies), all assets of the Agency other than housing assets were transferred to the Successor Agency. Section 34181(a) of the California Health and Safety Code specifies that oversight boards (formed to oversee the actions of successor agencies pursuant to ABX1-26) are required to direct the successor agency to, among other things:

- o Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

As of the date of dissolution, the former Cathedral City Redevelopment Agency held title to the following three sites within the downtown, specifically the Civic Center Building (which includes both City Hall and the Police Department), the Civic Center Parking Structure and the property acquired on the east side of Cathedral Canyon between Avenida Lalo Guerrero

and Officer David Vasquez, all of which are developed or are to be developed and used for public purposes.

Facility-Location	Date Acquired or Completed	Zoning	Size
Civic Center/Police Station 68-700 Avenida Lalo Guerrero APN: 687-471-006	07/10/1998	MXC	3.80 Acres
Civic Center Parking Structure APN: 687-471-008	10/01/2001	MXC	3.18 Acres
Fire Station 411 Relocation Site and Training Facility (Cathedral Canyon site) APNs: 687-170-006, 007 & 008; 687-170-016, 687-170-018 and 687-170-020	10/31/09 02/28/07 06/30/09 06/30/09 10/31/09 03/01/09	MXC	2.93 Acres

These properties were all acquired and/or developed with tax increment specifically for public purpose use. The Civic Center and Civic Center Parking Structure are pledged collateral for a complex financing vehicle that resulted in the development of Big League Dreams. Under the terms of this financing, these facilities are to be leased to the City for a \$1 per year for government purposes. There would be no conflict with the financing documents if title to these facilities were transferred to the City. There is no revenue being generated from these clearly public purpose uses and the existing Covenants and Conditions and Parking Agreement for all property, both public and private, in the greater Civic Center complex specify that parking will be available at no cost to the property owners through, at minimum, December 31, 2026. As such, these properties have nominal value other than for public use.

The Cathedral Canyon site was acquired by the Agency specifically as the relocation site for the existing Fire Station 411, presently located on Date Palm in an undersized, substandard facility. Agency funds were also used to develop a master plan for the site to include the fire station, a training facility, combined police and fire evidence storage as well as a fire administration building. Construction plans have also been finalized for the fire station. Until financing can be arranged for construction, the existing building located at 37-660 Cathedral Canyon on Assessor Parcel Number 687-170-020 is being used for training facilities by both fire and police departments. Unfortunately, with the demise of redevelopment, construction of the replacement fire station has been delayed, but the City must provide a replacement fire station on the southerly side of the White Water Channel and this site, which was acquired specifically for this purpose, is the desired site.

As such, the Oversight Board is being asked to direct the transfer of these three properties which have been developed for governmental purposes to the Successor Agency of the City of Cathedral City without compensation.

***Grant of Easement for Bus Stop:***

There are two existing bus stops located on both sides of East Palm Canyon westerly of Monty Hall Drive ("East Palm Canyon bus stops") and the one on the north side of East Palm Canyon must be relocated as part of a settlement agreement that has been approved for long standing litigation between the former Agency and Tri-Millennium Cathedral City, LLC. In discussions with Sunline Transit Authority ("Sunline"), it was determined that in order to relocate the bus stop on the north side of East Palm Canyon, both East Palm Canyon stops will need to be relocated in order to provide for ease of transfer for patrons from one bus line to another. It was determined that there is only one mutually acceptable relocation site that will meet Sunline's needs and accommodate the relocation of both East Palm Canyon bus stops. This relocation site is located on former Agency owned land that has been optioned to the City Urban Revitalization Corporation ("CURC") as part of a pre-existing Disposition and Development Agreement ("DDA"). This DDA is an enforceable obligation of the Successor Agency. CURC, as the optionee, is agreeable to the grant of easement on a portion of this property in order to facilitate the relocation of the East Palm Canyon bus stops. As such, the Oversight Board is being asked to adopt a resolution not objecting to the grant of easement from the Successor Agency to the City of Cathedral City for development of a public transit bus transfer center. The location of this bus transfer site is identified on Exhibit A to the resolution and will utilize approximate 21,600 square feet of land located on the north side of B Street westerly of Van Fleet.

**ATTACHMENTS:** Resolutions

**RESOLUTION NO. \_\_\_\_\_ (OB)**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY DIRECTING THE TRANSFER OF CERTAIN GOVERNMENTAL PURPOSE ASSETS TO THE CITY OF CATHEDRAL CITY IN ACCORD WITH HEALTH & SAFETY CODE SECTION 34181**

**WHEREAS**, in accordance with the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000, *et seq.* (“**CRL**”), the City Council of the City of Cathedral City (“**City**”) previously established the Redevelopment Agency of the City of Cathedral City, a public body, corporate and politic (“**Agency**”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

**WHEREAS**, in accord with CRL Section 34172, the Agency was dissolved as of February 1, 2012 and its rights, powers, duties and obligations, other than the Agency’s housing assets and functions, were transferred to a “successor agency” (as defined by CRL Section 34171(j)); and

**WHEREAS**, in accord with CRL Section 34173, the City is the successor agency (“**Successor Agency**”) to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency’s housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill x1 26 (“**AB 26**”); and

**WHEREAS**, in accord with CRL Section 34179, an oversight board (“**Oversight Board**”) for the Successor Agency was formed and exercises the powers given to oversight boards under the CRL; and

**WHEREAS**, CRL Section 34181(a) requires the Oversight Board to direct the Successor Agency to dispose of all the Agency’s non-housing assets and properties which were acquired using the Agency’s tax increment revenues; and

**WHEREAS**, under CRL Section 34181(a), the Oversight Board may direct the Successor Agency to transfer ownership of any Agency property used for a governmental purpose to the appropriate public jurisdiction pursuant to any agreement relating to the construction or use of the property; and

**WHEREAS**, the Successor Agency has identified certain Agency properties (“**Governmental Use Properties**”), described on the attached Exhibit A, which are being used for a governmental purpose but for which there are no agreements governing their construction, use or compensation upon disposition; and

**WHEREAS**, in accord with CRL Section 34181(a), the Oversight Board, desires to direct the Successor Agency to transfer ownership of the Governmental Use Properties to the City as the appropriate public agency.



**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:**

**Section 1.** Based on the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows.

- (1) The Governmental Use Properties are all used for governmental purposes.
- (2) The City of Cathedral City is the appropriate public jurisdiction to assume ownership of the Governmental Use Properties.
- (3) There are no agreements between the Agency and the City governing the disposition of the Governmental Use Properties or the compensation to be paid for them.

**Section 2.** In accord with CRL Section 34181(a), the Oversight Board directs the Successor Agency to transfer ownership of the Governmental Use Properties to the City for no consideration. The Oversight Board further directs the Successor Agency and its officials to take the actions and to execute the deeds and other instruments required to carry out the transfer.

**Section 3.** This Resolution will become effective in accord with CRL Section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 28, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
CHAIR

APPROVED:

ATTEST:

\_\_\_\_\_  
City Manager of Successor Agency on  
Behalf of the Oversight Board

\_\_\_\_\_  
Oversight Board Secretary

## **EXHIBIT A**

### **Assessor's Parcel Numbers and Site Maps**

CATHEDRAL CANYON DR

OFFICER DAVID VASQUEZ RD

687471008

687471006

PARKING  
STRUCTURE

CIVIC CENTER  
CITY HALL, POLICE STATION

PICKFAIR ST

AVENIDA LALO GUERRERO

EAST PALM CANYON DR

OFFICER DAVID VASQUEZ RD

CATHEDRAL CANYON DR

687170020

3-1-09

687170016

6/30/09

687170018

10-31-09

687170006

10-31-09

687170007

2-28-07

687170008

6-30-09

AVENIDA LALO GUERRERO

EAST PALM CANYON DR



**RESOLUTION NO. \_\_\_\_\_ (OB)**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY DIRECTING THE TRANSFER OF EASEMENTS IN CERTAIN FORMER AGENCY ASSETS TO THE CITY OF CATHEDRAL CITY FOR GENERAL GOVERNMENT PURPOSES IN ACCORD WITH HEALTH & SAFETY CODE SECTION 34181**

**WHEREAS**, in accordance with the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq. (“**CRL**”), the City Council of the City of Cathedral City (“**City**”) previously established the Redevelopment Agency of the City of Cathedral City, a public body, corporate and politic (“**Agency**”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

**WHEREAS**, in accord with CRL Section 34172, the Agency was dissolved as of February 1, 2012 and its rights, powers, duties and obligations, other than the Agency’s housing assets and functions, were transferred to a “successor agency” (as defined by CRL Section 34171(j)); and

**WHEREAS**, in accord with CRL Section 34173, the City is the successor agency (“**Successor Agency**”) to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency’s housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill x1 26 (“**AB 26**”); and

**WHEREAS**, in accord with CRL Section 34179, an oversight board (“**Oversight Board**”) for the Successor Agency was formed and exercises the powers given to oversight boards under the CRL; and

**WHEREAS**, CRL Section 34181(a) requires the Oversight Board to direct the Successor Agency to dispose of all the Agency’s non-housing assets and properties which were acquired using the Agency’s tax increment revenues; and

**WHEREAS**, under CRL Section 34181(a), the Oversight Board may direct the Successor Agency to transfer interests in or ownership of any Agency property used for a governmental purpose to the appropriate public jurisdiction pursuant to any agreement relating to the construction or use of the property; and

**WHEREAS**, the Successor Agency, in conjunction with SunLine Transit Agency (“**SunLine**”), a regional provider of public bus services, has identified the need to transfer certain easements (the “**Easements**”) in former Agency assets, now under the jurisdiction of the Successor Agency, to either the City or SunLine for the purposes of relocating two existing bus stops and creating a public transit bus transfer center sufficient for SunLine’s purposes in providing public transportation, a governmental purpose, which easements are depicted on the attached Exhibit A;

**WHEREAS**, there are no existing agreements governing the disposition of said easements, and such easements are typically provided by the City without charge as assisting in the transit needs of its residents; and

**WHEREAS**, as of the date of this resolution it is not certain as to whether the Easements should be in the name of the City or the name of SunLine; and

**WHEREAS**, as of the date of this resolution exact legal descriptions for the Easements have not yet been developed; and

**WHEREAS**, in accord with CRL Section 34181(a), the Oversight Board, desires to direct the Successor Agency to transfer ownership of the Easements to the City as the appropriate public agency, with the right granted to the City to transfer the Easements to SunLine if necessary.

**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:**

**Section 1.** Based on the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows.

- (1) The Easements are to be used for governmental purposes.
- (2) The City of Cathedral City is the appropriate public jurisdiction to assume ownership of the Easements, with the right to transfer the Easements to SunLine if circumstances should require it.
- (3) There are no agreements between the Agency, or the Successor Agency, and the City governing the disposition of the Easements or the compensation to be paid for them.
- (4) The Easements may be transferred by the Successor Agency to the City with appropriate language permitting their use for the purposes stated hereinabove or such other public purposes as may ultimately become necessary or desirable.
- (5) Legal descriptions for the Easements have not yet been created as the final design of the new SunLine facilities is not yet completed.

**Section 2.** In accord with CRL Section 34181(a), the Oversight Board directs the Successor Agency to transfer ownership of the Easements to the City for no consideration, for the purposes set forth above. The Oversight Board further directs the Successor Agency and its officials to take the actions and to execute the deeds and other instruments required to carry out the transfer. The Board authorizes the Successor Agency to utilize legal descriptions created subsequent to the date of this Resolution as design and other development factors are completed, provided that such legal descriptions are substantially within the areas identified in Exhibit A hereto. No authority is

granted by this resolution to transfer title to the former Agency assets from which the Easements are to be created, but only to transfer the Easements in said assets.

**Section 3.** This Resolution will become effective in accord with CRL Section 34179(h).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on June 28, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
CHAIR

APPROVED:

ATTEST:

\_\_\_\_\_  
City Manager of Successor Agency on  
Behalf of the Oversight Board

\_\_\_\_\_  
Oversight Board Secretary

**EXHIBIT A**

EAST PALM CANYON DR

687199001

687199002

687212027

687212009

687212012

687212013

687212010

687212011

687212024

VAN FLEET AVE

B ST

